weekly economic review

November 15, 2013

International Merchandise Exports

Alberta exports surge

The value of goods exports from Alberta jumped 16.8% year-over-year in September to $8.6 billion. Energy exports mainly contributed to the increase, helped by higher oil prices. After a weak second half of 2012, Alberta exports are trending higher, with growth accelerating in each of last three quarters (see chart).

Manufacturing Shipments

Tepid increase amid refinery shutdown

Shipments in September dropped from August's level, and year-over-over growth slowed to 2.2%. The slowdown in manufacturing shipments was mainly the result of planned maintenance shutdown at a major refinery, which decreased petroleum and coal manufacturing shipments.

Durable goods shipments buoyed total shipments, climbing 7.4% year-over-year on the back of exceptional growth from machinery (+33.4%) and wood product manufacturing (+16.1%).

Meters Drilled

Meters drilled improves

The total number of meters drilled, a proxy for energy industry activity in Alberta, increased 5.6% year-over-year in September with exceptional growth in natural gas (+80.6%). The gains in natural gas were slightly offset by decreased crude oil (-7.2%) and bitumen (-22.7%) meters. Natural gas drilling has stabilized, recording five months of consecutive growth after almost two years of straight declines.

Contact:

Warren Kirkland 780.427.8845

Alexander Gainer 780.638.3238

Construction Price Indexes

Costs remain contained

Residential construction cost growth in Alberta remains subdued. The apartment construction cost index increased 1.5% year-over-year in the third quarter. The index is an average of Edmonton and Calgary apartment construction prices.

Non-residential construction costs also held fairly steady, growing by 1.2% year-over-year in the third quarter.

New Housing Price Index (NHPI)

Calgary leads the country

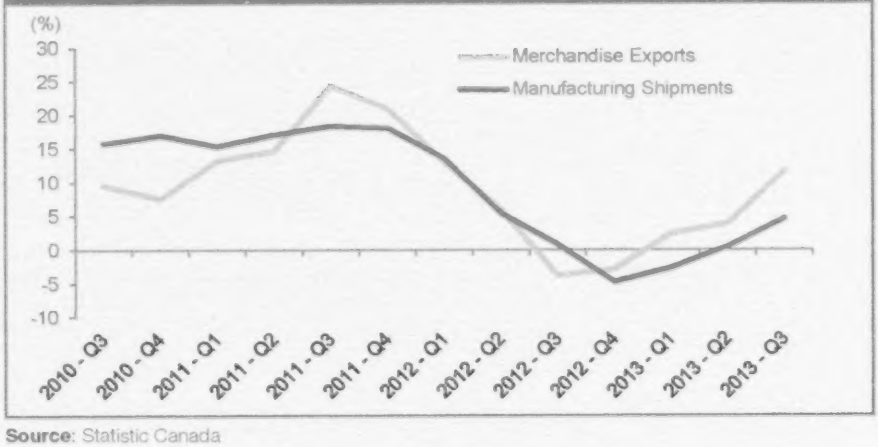
Calgary is noticeably ahead of all major Canadian centers in new home price growth. The year-over-year growth in Calgary hit 6.3% in September, more than four times the national rate. Calgary's NHPI growth rate has outpaced the national average since late 2012. Conversely, Edmonton had year-over-year growth of only 0.2% in September. Overall, the NHPI in Alberta was 3.1% above the same month last year.

Resale Home Market

Market tightens, but price increases below national average

Alberta's resale housing market continues to tighten in October. Sales rose 16.3% year-over-year and the sales-to-new listing ratio edged up to 0.70, which is firmly in sellers' territory. However, average price increases across the province have been moderate, up 4.0% year-over-year. Calgary prices pushed up 4.2% year-over-year in October while Edmonton prices inched up by 1.7%. Nationally, resale prices jumped by 7.4% over the same period.

Alberta Exports and Manufacturing Shipments (year-over-year change)



Source: Statistic Canada

Closing Price	Nov. 7, 2013	Nov. 14, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	95.77	95.27	97.48
WTI Oil ($US/bbl)	94.20	93.76	99.71
NYMEX Natural Gas($US/MMBtu)	3.52	3.61	3.75

Alberta Economic Indicators

Population	2011	2012	2013YTD	May	June	July	Aug	Sept	Oct
Population (000's)	3,790	3,889	4,025	..	..	4,025	..	..	..
y/y % change	1.5	2.6	3.5	..	..	3.5	..	..	..
Net Interprovincial Migration[1]	8,443	27,652	52,677	..	..	13,791	..	..	..
Net International Migration[1]	19,411	40,842	52,561	..	..	20,487	..	..	..
Net Non-permanent Residents[1]	7,251	10,085	19,560	..	..	10,472	..	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,199	2,203	2,201	2,217	2,232	2,236	2,237
y/y % change	3.8	2.7	2.7	2.3	2.6	3.0	3.6	3.7	3.5
Unemployment Rate (%), SA	5.5	4.6	4.6	4.8	5.0	4.5	4.8	4.3	4.4
Participation Rate (%), SA	73.7	73.4	73.0	73.3	73.1	73.0	73.6	73.1	73.0
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,103.21	1,119.34	1,104.47	1,103.08	1,117.58	..	..
y/y % change	4.4	3.6	3.3	5.4	3.4	2.1	1.4	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.3	2.3	2.2	1.4	1.3	..
Excluding food and energy	0.8	1.4	1.3	1.1	1.6	1.9	1.6	1.5	..
NEW! Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.2	..	0.9	..	..	1.2	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	5.9	5.3	..	..	..	..
crops	19.0	6.7	8.0	7.2	5.9	..	..	..	..
Livestock	17.2	5.9	2.2	4.8	4.7	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.4	42.5	38.1	35.6	28.8	30.8	37.2
y/y % change	-5.0	30.7	7.3	26.7	12.8	7.2	-1.7	-7.7	10.3
NEW! New Housing Price Index[3] (y/y % change)	0.4	1.3	2.7	2.7	2.9	3.0	3.3	3.1	..
Edmonton	0.9	0.9	0.6	0.2	0.6	0.6	0.8	0.2	..
Calgary	-0.1	1.7	4.9	5.3	5.3	5.8	6.1	6.4	..
NEW! MLS Average Resale Prices ($ 000's)	352.7	362.0	378.4	375.6	376.5	378.7	387.2	384.3	381.3
y/y % change	0.5	2.6	5.2	2.9	4.4	4.9	6.6	7.8	4.0
Edmonton ($ 000's)	324.2	332.7	342.4	339.6	344.7	340.4	347.5	346.9	339.9
y/y % change	-0.7	2.6	3.4	1.1	3.7	2.9	4.2	7.7	0.0
Calgary ($ 000's)	401.9	410.8	433.6	424.8	431	438.7	440.8	436.5	438.3
y/y % change	1.1	2.2	6.6	2.6	5.3	6.8	7.8	8.6	4.2
Retail Sales, SA (y/y % change)	6.8	6.9	6.4	7.3	7.8	6.2	5.5	..	..
NEW! New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.1	7.1	3.4	6.5	7.0	2.1	..
Consumer Bankruptcies	7,029	5,759	3,324	434	375	385	379	..	..
y/y % change	-13.8	-18.1	-18.6	-15.7	-22.5	-21.3	-16.5	..	..
Business Sector									
Rigs Drilling	286	250	233	88	115	187	239	251	239
y/y % change	30.4	-12.6	5.0	0.3	-17.3	-5.7	7.0	9.6	1.2
NEW! Goods Exports, customs based (y/y % change)	18.4	2.8	5.9	12.9	0.5	9.3	9.5	16.8	..
Energy	19.2	3.6	7.8	14.0	0.3	11.1	15.0	25.7	..
Farm, Fishing and Intermediate Food	27.2	20.6	4.2	7.1	-16.0	5.8	-20.8	-24.9	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	..	..	..	..	..
NEW! Manufacturing Shipments, SA (y/y % change)	17.3	3.4	0.7	1.3	3.6	3.6	8.1	2.2	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.2	0.3	1.7	2.3	1.6	..	..
Building Permits, SA (y/y % change)	11.8	14.8	26.0	1.2	21.6	50.4	1.1	21.6	..
Residential	5.2	18.2	15.7	12.3	16.6	29.1	-5.9	33.1	..
Non-residential	20.9	-10.7	25.9	-12.0	28.5	79.7	12.3	3.5	..
Business Bankruptcies	264	230	87	11	9	9	7	..	..
y/y % change	-30.2	-12.9	-45.6	-60.7	-59.09	-43.8	-30.0	..	..

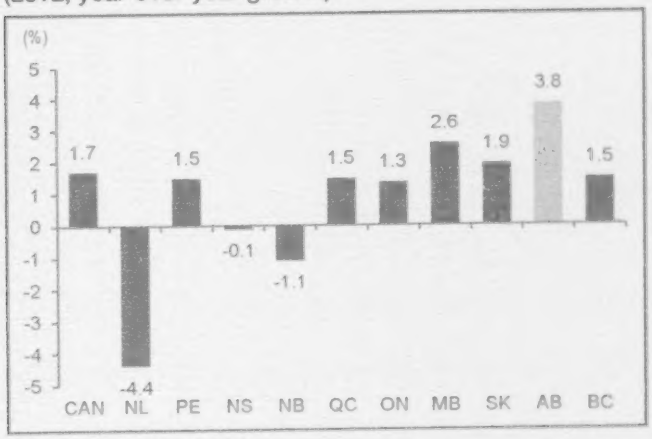
1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

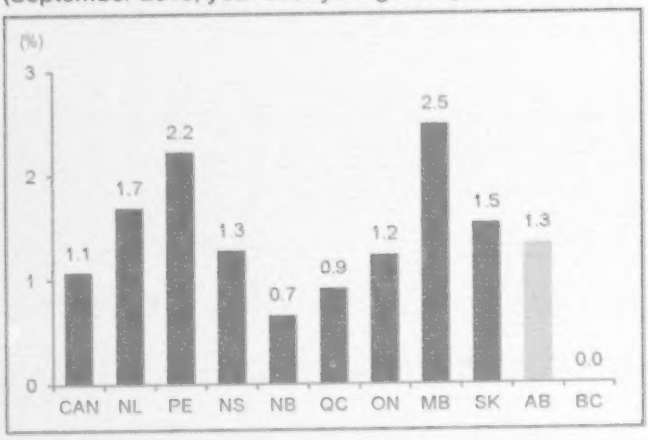
All historical data are subject to revision.

Economic Indicators by Province

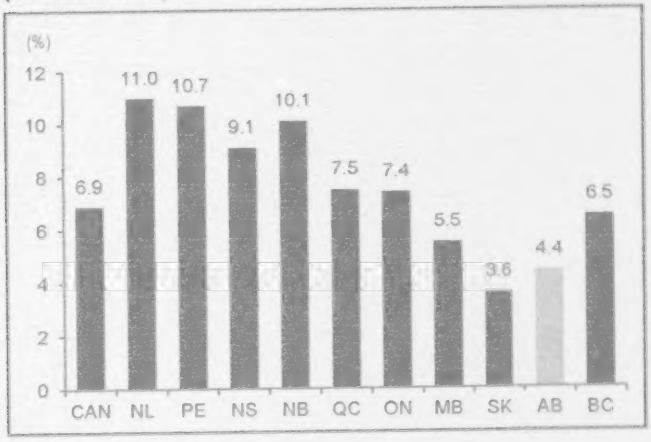
Real GDP at Market Prices
(2012, year-over-year growth)



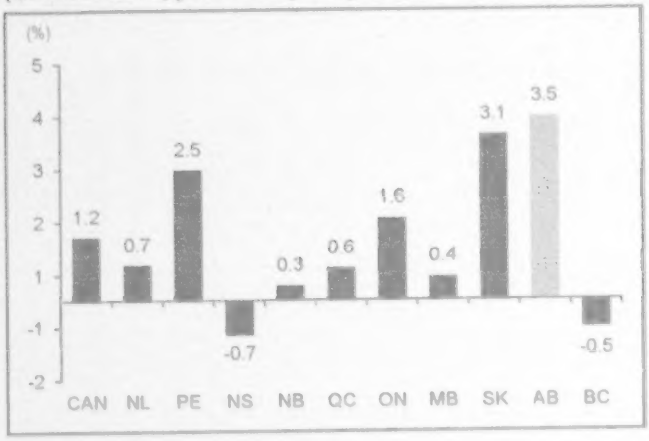
CPI Inflation
(September 2013, year-over-year growth)



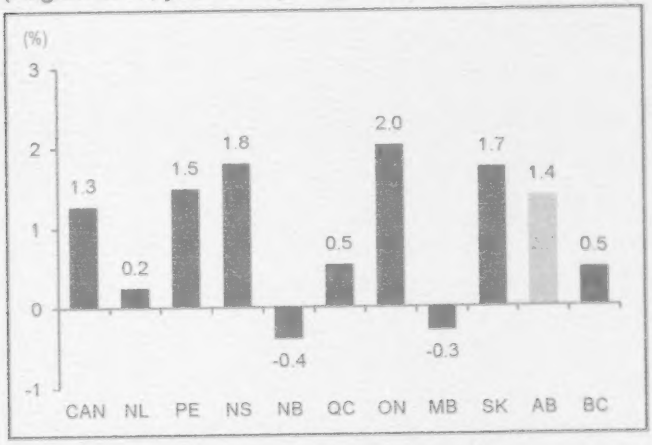
Unemployment Rate
(October 2013)



Employment
(October 2013, year-over-year growth)



Average Weekly Earnings
(August 2013, year-over-year growth)



Housing Starts
(October 2013, SAAR, year-over-year growth)